HARVARD CLUB OF WASHINGTON, D.C.
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"CIA and the New Model of Intelligence"

Good evening and thank you for coming out on this snowy evening. I won't be as modest as Fred, I'm a Harvard man too. I didn't get a B.A. degree, I didn't earn a law degree, I went to one of those 13 week courses for old men called the Advanced Management Program. But I'll take credit for being a graduate of Harvard because they made me one and they remind me of it every year with their donation. I'll never forget that, they made such a big to do when we completed that little course which didn't have any examinations. But you are now an alumnus of Harvard University and I didn't quite understand that until six months later when the first billing came.

Despite the newspapers which try to pit me against President Bok all too frequently, I get along with Derek Bok well--had breakfast with him in December--and I think have a very common understanding where we differ and where we agree and the differing isn't as big as the press would like to make it out. But I have a tremendous respect for Harvard and tremendous sense of love for Harvard having spent at least a few weeks on the campus there and come to feel the great intellectual vibrancy of Cambridge and the whole Harvard University campus.

I'd like tonight to respond to your questions but I thought it would be best if I set a little background by giving you my view of the state of intelligence in the Central Intelligence Agency and in our Intelligence Community in general. And I would characterize that very briefly as

being a state of transition, a state of change. And what I'd like to talk about are five of the areas in which we are experiencing change and why and what kind in the intelligence world of our country today.

The first is an area of what we call oversight. Today we have far greater oversight, supervision, checking on what we are doing in the entire intelligence activities of our country than ever before. Presidents have always overseen the Directors of Central Intelligence, but we now have a very specific signed Executive Order by the President which lays down the ground rules for that oversight and various mechanisms for carrying it out. And I know rather precisely what I'm allowed to do, what I must check with various other elements of the National Security Council, and what I must check with the President. And I can assure you that President Carter keeps close tabs on me. But mainly and seriously, he is very interested in what we are doing, he gives me of his personal time at least once a week and gives me good guidance and a sense that I am able to keep him well informed of what we are doing and why we are doing it, so that there is no chance that I am trying to go in one direction and the President wants me to go in another.

The President has also established something called the Intelligence Oversight Board. An independent group of three men--a distinguished former Senator, Senator Gore; a distinguished former Governor, Governor Scranton; a lawyer from Washington, D.C., Mr. Tom Farmer. This Board is to look into the propriety and legality of what the Intelligence Community is doing. They report only to the President and they are a very independent form of oversight, a very useful one.

Most revolutionary, however, is the reinvigoration in recent years of Congressional oversight. Of course, the Congress has always had a role of overseeing any activity of the government but in years past, because of the necessary secrecy, the oversight function was I think performed in a reasonably perfunctory manner with a relatively few members of the House and the Senate being well informed on what was going on. Today we have two committees very expressly, or just exclusively, dedicated to the oversight function. They are very helpful to us on the one hand but they are also a definite supervisory body on the other. They are after us to answer questions, to keep them posted, to inquire into anything they hear of that they think may not be going the way they think it should. In addition, we report to appropriations committees of the Congress in much more detail than ever before in order to justify our annual funds and although those are not made public, I can assure you that the appropriate committees and members of the Congress know in detail what we are getting, why we are getting it, and what we're going to do with it.

I mention this in some detail to you because the advent of oversight into an organization that has not had it in great quantity is a very traumatic experience. It has forced a whole change of outlook, particularly here in the Central Intelligence Agency. When I first came here for instance, one of the most frustrating things was to find some statistical data. Because not having had to produce it in many instances before, it wasn't put together. It was available but it had to be culled out, sorted and organized into forms that would be useful for

presentation to the Congress for instance. All those mechanisms are being built but it is a considerable change in the way of life in the organization.

There are good points to it. I happen to believe that being held accountable is very important, particularly to an organization that deals in risky, secretive matters. With this sense of accountability we are more judicious in the decisions we make because we know that one day we're very likely going to have to stand up and account for them. That, of course, has its downside. If we end up with intelligence by timidity and are unwilling to take risks in this country in order to obtain the information that is needed in order to make those proper decisions of foreign policy, we won't be in the intelligence business at all. It's a matter of finding the right balance. I think we're moving in that direction, it's too early to tell whether we're going to end up there. I'm certainly aiming to and I think we're going to, but it's going to take several more years of experience.

In addition, there's another benefit and that is with this greater oversight, particularly inside the Executive Branch, things like the Executive Order requiring that certain of our activities be checked with the Department of State. We are more certain that the directions in which the Central Intelligence Agency is helping to move the country in international affairs are, in fact, fully in league with those of the State Department, that we're not in any way accidentally working at cross purposes. I think this is very important to all of us.

There is, of course, one other risk in oversight and that is the danger of leaks. The more people who know a secret, the more likely it is to leak out. I'm not casting fingers on any of the oversight mechanisms I've just described to you. I don't think any one of them is any more or any less leaky than the Central Intelligence Agency itself and the Department of Defense intelligence or anyone else. But there is just a mathematical formula that applies here--the number of people who know a secret, as it increases, the danger of a leak is greater and greater. And, again, if we cannot keep those secrets which truly are secrets, we're not going to have a suitable intelligence capability for our country. And in passing I would note that this is perhaps the greatest danger to our intelligence capability in my opinion today is thealacrity with which classified information finds its way into the press.

A second change that is going on is closely related and that's a greater public exposure of the intelligence activities of our country. You are here tonight, I'm with you tonight in ways that probably wouldn't have taken place five, ten years ago. We get both wanted and unwanted public exposure today. The wanted public exposure comes from a personal conviction that any agency of the government must have its roots, its support in the people of this country. And the people of this country supported an intelligence activity for many years simply on faith, on an understanding that there were things that had to be done in secret. After the many exposures--some of them true, some of them untrue--of recent years, I think the foundation of that faith has been shaken and that we now owe it to the people to be as forthcoming as we can so that

their support for a good intelligence organization in our country has a foundation or has an understanding. So we are opening up more within clearly delineated bounds. There is certainly no intent to just open doors and ask people to come in and share all of the secrets that we have. But there are more things that we can do and say, Herb Hetu can respond more to the press without giving away things that it would be against the national interest to expose.

I'm afraid we also get far too much unwanted exposure in the public media. On the one hand I feel that we are still suffering in this country from a post-Watergate mentality in the media. A mentality that says anyone who works for the government, any public servant, is automatically suspect. And they start from that assumption and work onward from there. And I find it very discouraging to see the degree of distortion that this frequently leads to in the public media.

We also are suffering today from what I would gather or describe as an attitude of vengeance. People like Phillip Agee who are out writing books deliberately exposing people who work for the Central Intelligence Agency, hazarding their lives, considerably hindering their professional opportunities. These exposures, both from the media prying and drawing conclusions that are unwarranted and from people who are just deliberately trying to undermine the intelligence activities of our country, have had a tremendous depressing affect on the attitude and the morale in the Central Intelligence Agency. Put yourself in the shoes of someone who came to work here perhaps 15 years ago, dedicated himself to something of real value to his country, went overseas repeatedly, kept

himself from exposing where he worked at great cost to himself and his family, trying to cover his employment so that it wasn't known he worked in the Central Intelligence Agency, and suddenly his name appears in a book or a newspaper or a magazine. And after coming close to the apex of his career, his usefulness to us is suddenly diminished by a large fraction at no fault of his own. He's gone a long way down his career track and he is cut off in many ways in his actual usefulness to us. This is terribly, terribly bad for our people and for their dedication and the sacrifices which they really must make in this kind of an organization. I hope we can staunch this kind of flow before many more months and years go by because it is very injurious.

The third change is related to these first two and that's that we're reaching what I would call a generational period in the Agency's history, if you look on a working generation as perhaps being 30 years of employment. We've been in operation now out here, or not here but in the Central Intelligence Agency, since 1947 so we're a little over 30 years old and many of the very stalwart, capable people who came into the organization in its early years are passing through and on into retirement or other employment. We are now having to see how we bring up a new leadership, a new leadership that is able and willing and understanding of adjusting to living under new rules of oversight, to living in a more public exposure, to shifting the focus of activities here from the cold war attitudes and the cold war targets and the cold war analyses we were so accustomed to in the past, to the new environment in which we have to live today. It is a challenge, again, to find the people who are

flexible, adaptable, understanding of these shifts and emphasis, these changes I'm trying to describe to you, and who will pick up the mantle of leadership of this Agency in the years just ahead.

And, indeed, a fourth change that we are experiencing is a change in the priorities of what we do. We started out 32 years ago with a large focus on Soviet military intelligence, or intelligence about Soviet military activities. Look how the world has changed around us in these 32 years. Yes, we are intently interested today on Soviet military activities. We have to be. But look at how many other countries in the world appear on the front page of our newspaper, how many with whom we have commercial relationships of one sort and another. Look at how much of our activity in many, many of these other countries is not military at all. Our relationships with most of them are economic or political. The excitement, the challenge, the stimulation here to shift, to develop the expertise, the academic qualifications in all sorts of fields that challenge us today as we move more and more into political, economic analysis, into questions of terrorism, narcotics, psychology of foreign leaders, health and medical predictions on foreign personalities and so on. It's a really very exciting expansion of our activities.

I see Dr. Bowie, a famous Harvard man, in the audience. I don't know why he's here because he could give this lecture better than I, but he is our Director of assessment, analysis and every time I talk to him about this he reminds me that I haven't given him any more resources, any more people to do this expansion. And we are all interested in

keeping the bureaucracy small but we have a real challenge here to find the right balance as we take on these new responsibilities, these new areas of requirement for our country and still maintain that necessary expertise, that necessary degree of detail into the military side as well. It is a very demanding challenge for us but also a very exciting one as well.

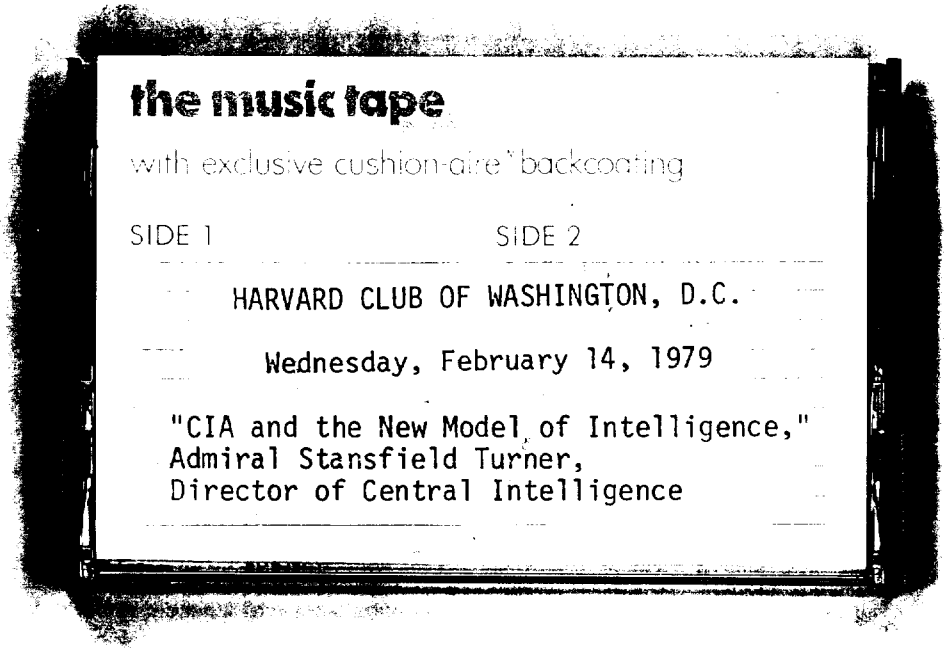
Finally, we're changing in our capabilities to do the job. Over the last 10 or 15 years there has been a near revolution in the techniques for collecting intelligence information. And we now have burgeoning technical systems that collect intelligence as well, of course, as the tried and traditional human spy that has been with us since biblical days. Today we have the satellites that take pictures, we have what we call signals intelligence listening capabilities. As you know as well as I there are air waves going through this room right now and if you put an antenna up you could pick up different kinds of signals. Well that is a way of collecting intelligence. There are many, many kinds of signals from radio communications to radars and so on that are of interest to us in one way or another. The quantity of information that is available to us today from these technical collection systems because of the great sophistication of American technology in American industry is just amazing and it continues to grow. And it presents us with a real problem. How do we process, handle, store, retrieve and use this information? We have to rely much more on data processing techniques. We have to be much more clever at sorting and sifting and being sure that we don't throw the diamonds out with all the chaff. It's another very demanding challenge.

And yet, at the same time, the old traditional human intelligence element continues with as much importance as ever before. Because in a very general sense what happens here is that when you use one of these technical systems it tells you about things that happened sometime in the past. You can use that to project what happen in the future sometimes, but if you really want to try to delve into why people are doing things and what they are likely to do tomorrow, what you want is the traditonal human intelligence activity. And so I find that as the capabilities of the technical systems grow and give us more information with which to deal, the need to complement that with the why and the how and the what next questions through the human intelligence side is greater than ever before. And one of the real challenges we face today is to mesh all of these--the technical and the human--into a real teamwork effort to be sure that we don't charge you and me as taxpayers more than is necessary by overcollecting but to be equally sure that we don't let it drop through the cracks because we haven't coordinated these capabilities.

These are the principal changes we're facing. We are collecting more information. We're analyzing it over a wider sphere of disciplines and geographical areas. We're really adapting both the collection and the analysis to what this country is going to need in the future not just what it collected and analyzed, primarily military intelligence, in the past. We are much more accountable to you the public. We are much more accountable to the various oversight procedures in our government. And I hope that out of the greater exposure that we are receiving

today--both good and bad--there is coming a even greater public understanding and appreciation of the importance of what we do. I have felt that that has shifted in the last year. The fact that you are here and interested in hearing more about your intelligence activities is indicative of that I believe and I appreciate the fact that you have taken the time to come out and be with us and let me now try to respond to your questions more specifically.

Thank you.



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